
1986
ANNUAL
FINANCIAL
REPORT

THE CITY OF
St. Albert



THE CITY OF ST. ALBERT

CITY COUNCIL

Mayor R. Fowler

Alderman R. Gibbon

Alderman G. Kuschminder

Alderman M. Plain

Alderman A. Ratchinsky

Alderman P. Smith

Alderman R. Thronson

CIVIC ADMINISTRATION

City Manager

City Clerk

City Solicitor

Director of Administrative Services

Director of Community Services

Director of Engineering Services

Director of Finance

Director of Planning Services

Fire Chief

S/Sgt. R.C.M.P.(Acting)

T.McKay

F. Daniel

S. Brown

J. Fleming

G. Todd

D. Corrigan

N. Van Wyk

W. Gordon

J. Cameron

J. Eddleston

City Auditors

Deloitte Haskins & Sells

City Bankers

Canadian Imperial Bank of Commerce

THE CITY OF ST. ALBERT - IT COULD SURPRISE YOU!

The City of St. Albert is an exclusive residential community nestled among the treed and rolling hills along the Sturgeon River Valley 5 km northwest of Edmonton. The lushly landscaped neighborhoods, parklands and walkways complement the serenity of the natural scenery. Generous additions of trees planted along boulevards and medians by the City complete the scenic surroundings. All of the aesthetics, the large residential lots and the custom designed homes have earned St. Albert a reputation as a very desirable residential community. St. Albertans boast a very active community life. The extensive walkway and bike path systems are frequented by bicycles, joggers and strollers in the summer months and by cross country skiers in the winter. Recreation facilities include 7 tennis court sites; 3 indoor hockey arenas and 10 outdoor skating rinks; a curling rink; an indoor and outdoor swimming pool; 34 baseball diamonds; 42 sportsfields for soccer, rugby and the like; and a variety of clubhouses, fitness centres and facilities to accommodate racquet sports, aerobics, gymnastics, dance and much more. Tot lots and adventurous playgrounds are only minutes away from every household and safely accessible. Three golf courses are located less than 5 minutes from the City.

For the culturally active, there are year round programs in St. Albert that more than satisfy the varied interests of young and old alike. Children's theatre productions by children, arts and craft guilds from pottery to weaving, and other artisans of all sorts share in the delight of easy access to facilities and programs for the beginner or expert.

Much of the cultural programming, activities and exhibitions are initiated within St. Albert Place. The magnificent brick and glass structure designed by the famed architect Douglas Cardinal, spans the southbank of the Sturgeon River Valley and provides St. Albert with one of the most unique civic/cultural centres in North America. It houses a 35,000 sq. ft. library, a 529 seat performing arts theatre, a museum, four arts and crafts studios, an art exhibition area, a local artisan gift shop and the offices of the civic administration.

The pride St. Albertans have in their community is quite profound and became very apparent in their rally to ward off the City of Edmonton annexation bid in 1982. The community pride flows through the City Council, civic administration and public works to the community and business groups. The Mayor and City Council welcome public participation in the City business and encourage creativity and innovation from the civic administration. The success of this municipal management philosophy has gained the City of St. Albert nine national awards in the last four years for innovative and professional services to their community and residents. Strict planning and development guidelines enhanced by diligent

maintenance programs of St. Albert neighborhoods, parks, facilities and services are largely carried out by St. Albert civic employees who, as residents also, are committed to the community concern for the local quality of life St. Albert proudly offers.

Annual events such as the St. Albert Trade and Leisure Show, the Farmers' Market, the Rainmaker Rodeo, Festival of the Arts, Playdium and the RCMP/Kinsmen Celebrity Weekend reflect the ongoing community involvement that crosses the parameters of citizen/civic employee/businessmen and illustrates the effectiveness of the collective community spirit.

Many negative myths have prevailed about St. Albert despite its dynamic development over the last decade. But the secret is out, St. Albert is easily accessible and a very vibrant city. Four major shopping centres offer a broad selection of national and local retail outlets, and construction of another major shopping facility is underway. It may be a small city but it has all the big time amenities.

Most residents of St. Albert will say they can't imagine wanting to live anywhere else in the greater Edmonton area, and many of their guests would like to live in St. Albert too! In fact, over the past economic recession and decline in residential growth throughout Alberta, St. Albert has continued to grow each year, giving evidence to its position as the prime move-up community in the region.

All the modern community amenities, special interest features, and cultural and recreational activities in present day St. Albert give much promise for its future. However, St. Albert residents and community groups maintain a strong and continual link to the history of St. Albert.

St. Albert is Alberta's oldest community. It was founded in 1861 by Father Albert Lacombe and Bishop Alexander Tache, and the original mission built on the site that year remains standing today as a Provincial Historical Site and Alberta's oldest standing church. Located on top of Mission Hill in St. Albert, overlooking the Sturgeon River Valley, the chapel and the neighboring Bishop's Residence provide a prominent reminder of St. Albert's heritage, progress and growth.

Throughout 1986, St. Albert residents enjoyed a multitude of activities saluting the history of St. Albert within a 125th Anniversary Celebration program that involved every individual element of the community and creating history itself. One way or another, the people of St. Albert traditionally pay tribute to their past, present and future, and welcome you to visit their City and to witness what all the excitement is about.



ST. ALBERT PLACE
5 ST. ANNE STREET
ST. ALBERT, ALBERTA
CANADA T8N 3Z9
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June 15, 1987

Council of the City of St. Albert

Mayor Fowler and Aldermen:

It is my privilege to present to you the Annual Financial Report of the City of St. Albert for the year ended December 31, 1986. The statements included herein represent a report on the stewardship of the City's operations - namely, the provision of services to the Citizens of St. Albert.

This report includes the consolidated financial statements of all municipal operations as well as separate statements for the St. Albert Public Library Board and the Musée Héritage Museum Board. In addition, a summary of interesting aspects describing the City of St. Albert has been reproduced in this publication.

The co-operation and assistance received from all Departments and their staffs and particularly the staff of the Finance Department in preparing this report, is gratefully appreciated. I also extend thanks to the City's Auditors for the professional and courteous manner in which their duties were carried out.

Yours truly,

Norbert J. Van Wyk, CMA
Director of Finance

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AUDITORS' REPORT

To the Mayor and Members of Council of
The City of St. Albert:

We have examined the consolidated balance sheet of the City of St. Albert as at December 31, 1986 and the consolidated statements of operating revenue and expenditures, allowances, reserves, equity in fixed assets, surplus, and capital finances acquired and finances applied for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the City of St. Albert as at December 31, 1986 and the results of its operations and the changes in capital financing for the year then ended in accordance with the disclosed basis of accounting described in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells.

Chartered Accountants

April 10, 1987

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1986

	1986 \$	1985 \$
ASSETS		
CURRENT ASSETS		
Cash on Hand and on Deposit	212,116	54,265
Accounts Receivable (Note 2)		
Taxes and Grants-in-Lieu	2,887,557	2,344,474
Other Governments	387,339	426,158
Trade Accounts	1,179,820	1,374,792
Other	8,878	14,789
Investments, Loans, Advances	10,178,241	14,172,807
Inventories		
Land for Resale (Note 3)	14,237,178	14,404,679
Other (Tangible)	501,981	430,904
	<u>29,573,110</u>	<u>33,222,868</u>
FIXED ASSETS		
Engineering Structures	73,587,387	69,005,440
Buildings	36,107,327	33,793,951
Machinery and Equipment	2,518,414	1,852,194
Land	3,195,425	3,135,335
Vehicles	5,714,386	5,454,584
	<u>121,122,939</u>	<u>113,241,504</u>
Less Valuation Allowances	<u>1,301,036</u>	<u>1,252,326</u>
	<u>119,821,903</u>	<u>111,989,178</u>
OTHER ASSETS		
Administered Trust Accounts	106,022	51,507
Deferred Expenses	160,939	124,912
	<u>266,961</u>	<u>176,419</u>
	<u>149,661,974</u>	<u>145,388,465</u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Short Term Loans and Overdrafts	2,891,491	3,899,253
Accounts Payable		
Other Governments	1,097,736	1,030,444
Trade Accounts	1,282,646	992,388
Other	42,650	216,175
Other Liabilities		
Administered Trust Liabilities	106,022	51,507
Meter Rentals and Deposits	396,648	197,477
Prepaid Local Improvements and Revenue	765,576	362,463
Current Portion of Long Term Debt	1,033,131	793,214
	<u>7,615,900</u>	<u>7,542,921</u>
LONG TERM DEBT, LESS CURRENT PORTION		
Debenture, Bond and Mortgage (Note 4)	39,607,772	39,650,739
Obligations Under Capital Leases (Note 5)	78,352	159,351
	<u>39,686,124</u>	<u>39,810,090</u>
EQUITY		
Allowances for Operating Functions	5,459	93,773
Reserves for Operating Functions	7,424,761	7,603,116
Reserves for Capital Functions	9,930,523	12,869,028
Equity in Fixed Assets	84,279,992	76,901,767
Net Accumulated Operating Surplus	719,215	567,770
	<u>102,359,950</u>	<u>98,035,454</u>
	<u>149,661,974</u>	<u>145,388,465</u>

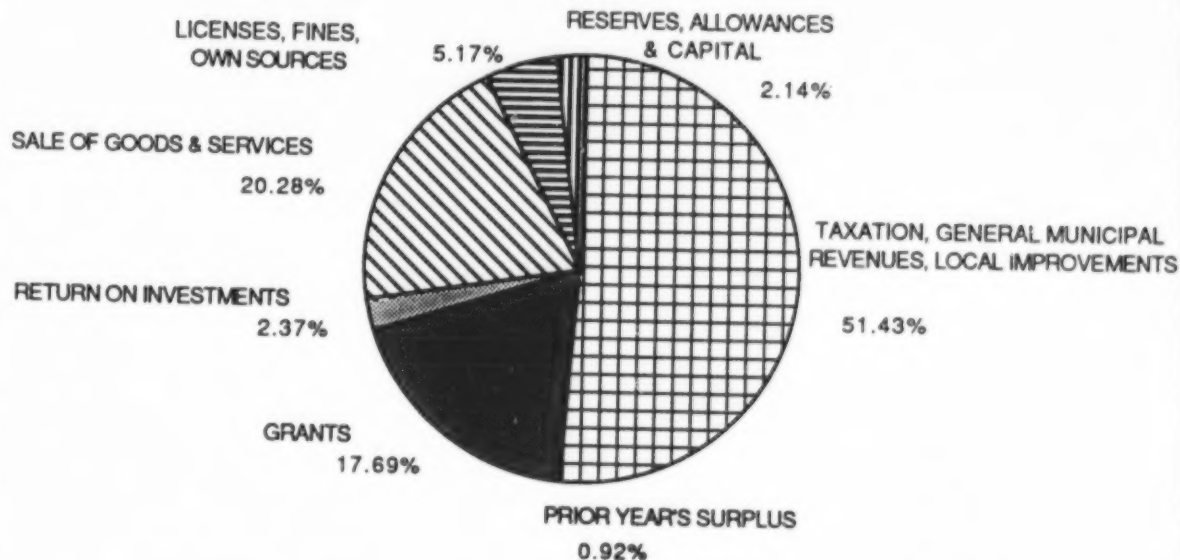
CONSOLIDATED STATEMENT OF OPERATING REVENUES AND EXPENDITURES

FOR THE YEAR ENDED DECEMBER 31, 1986

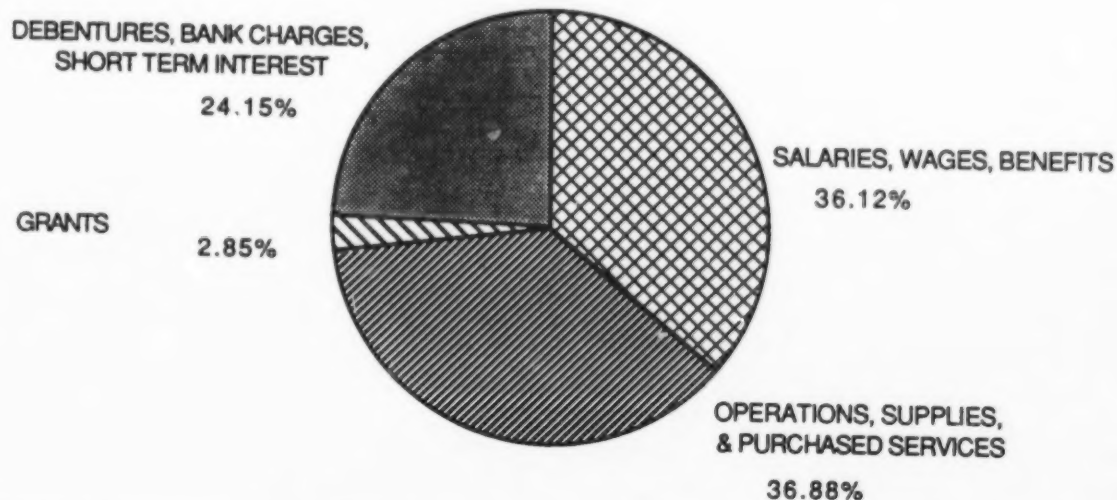
	1986 ACTUAL \$	1985 ACTUAL \$
REVENUES		
Taxation and General Municipal Revenues	14,446,263	13,625,974
Special Levies - Local Improvements	1,011,014	1,011,388
Service to Other Governments	17,000	-
Sale of Goods and Services	6,079,073	5,661,604
Licenses, Fines, Rentals	1,368,054	1,153,675
Return on Investments	711,939	537,124
From Own Sources	185,387	200,636
Federal Grants	54,379	72,097
Provincial Grants	5,109,141	4,992,740
Local Government Grants	5,434	-
Drawn from Operating Allowances	88,314	-
Drawn from Operating Reserves	178,355	-
Contributed from Capital Sources	375,487	3,528,093
Non-Government Grants and Other Sources	149,580	57,874
Prior Year's Operating Surplus	276,655	356,710
TOTAL REVENUES	<u>30,056,075</u>	<u>31,197,915</u>
EXPENDITURES		
Salaries, Wages, Benefits	10,703,915	10,059,580
Contracted and General Services	2,345,183	2,224,927
Purchases from other Governments	4,830,558	4,348,414
Materials, Goods, Supplies, Utilities	3,234,616	2,999,566
Additions to Operating Allowances	-	35,000
Additions to Operating Reserves	-	3,526,707
Grants to Individuals and Organizations	845,064	723,757
Bank Charges and Short Term Interest	693,361	681,118
Debenture Debt Charges	6,462,519	6,565,553
Other Transactions, Discounts, Adjustments	517,164	79,436
TOTAL EXPENDITURES	<u>29,632,380</u>	<u>31,244,058</u>
NET OPERATING SURPLUS (DEFICIT) FOR YEAR	<u>423,695</u>	<u>(46,143)</u>

CONSOLIDATED STATEMENT OF OPERATING REVENUES AND EXPENDITURES

1986 REVENUES



1986 EXPENDITURES



CONSOLIDATED STATEMENT OF ALLOWANCES

FOR THE YEAR ENDED DECEMBER 31, 1986

	Balance Beginning of the Year \$	Contributions \$	Reductions \$	Balance, End of the Year \$
Operating Allowances				
Municipal	93,773	35,000	123,314	5,459
TOTAL	<u>93,773</u>	<u>35,000</u>	<u>123,314</u>	<u>5,459</u>
Capital Allowances				
Utilities	1,252,326	48,710	-	1,301,036
TOTAL	<u>1,252,326</u>	<u>48,710</u>	<u>-</u>	<u>1,301,036</u>

CONSOLIDATED STATEMENT OF RESERVES

FOR THE YEAR ENDED DECEMBER 31, 1986

	Opening Balance \$	Contributions \$	Reductions \$	Balance, End of the Year \$
Operating Reserves				
Municipal (General)	2,482,588	886,548	1,135,876	2,233,260
Utilities	3,838,754	478,469	613,750	3,703,473
Library	6,869	-	6,869	-
Cemetery	2,909	2,411	-	5,320
Transit	1,263,996	228,056	16,676	1,475,376
Museum	8,000	2,000	2,668	7,332
TOTAL	<u>7,603,116</u>	<u>1,597,484</u>	<u>1,775,839</u>	<u>7,424,761</u>
Capital Reserves				
Municipal (General)	9,510,713	4,494,861	6,211,541	7,794,033
Utilities	1,134,399	283,432	-	1,417,831
Land	782,889	103,094	243,053	642,930
Parking	57,733	17,996	-	75,729
Transit	1,383,294	56,079	1,439,373	-
TOTAL	<u>12,869,028</u>	<u>4,955,462</u>	<u>7,893,967</u>	<u>9,930,523</u>

CONSOLIDATED STATEMENT OF EQUITY IN FIXED ASSETS

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 \$	1985 \$
Balance, Beginning of the Year	<u>76,901,767</u>	<u>73,515,389</u>
ADD:		
Preceding Year Net Underfinanced Expenditures	8,888,786	10,344,856
Debenture Principal Repayments	722,594	749,846
Long Term Debt Principal Repayment	70,994	62,225
Asset Additions	8,658,627	4,128,337
	<u>18,341,001</u>	<u>15,285,264</u>
DEDUCT:		
Debenture Financing	909,538	98,394
Assets Retired	944,694	2,868,035
Asset Valuation Allowance	48,710	43,671
Net Underfinanced Expenditures at Year End	9,059,834	8,888,786
	<u>10,962,776</u>	<u>11,898,886</u>
Balance, End of the Year	<u><u>84,279,992</u></u>	<u><u>76,901,767</u></u>

CONSOLIDATED STATEMENT OF OPERATING SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1986

	Municipal \$	Utilities \$	1986 \$	1985 \$
Balance, Beginning of the Year	272,250	295,520	567,770	970,623
Transfer to Current Revenue	(272,250)	-	(272,250)	(356,710)
Net Operating Surplus (Deficit) for Year	324,334	99,361	423,695	(46,143)
Balance, End of the Year	<u>324,334</u>	<u>394,881</u>	<u>719,215</u>	<u>567,770</u>

CONSOLIDATED STATEMENT OF CAPITAL FINANCES ACQUIRED AND FINANCES APPLIED

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 \$	1985 \$
Capital Financing (Under) Requirements, Beginning of the Year	(8,888,786)	(10,344,856)
FINANCES ACQUIRED		
Debentures	909,538	98,394
Return on Investments	1,189,914	1,501,318
Revenue from Own Sources	58,696	56,045
Sale of Fixed Assets	549,584	3,644,881
Provincial Capital Grants	2,512,790	2,487,030
From Own Municipality Boards or Agencies	6,026	41,113
Drawn from Capital Reserves	2,938,505	1,357,294
Developers Agreements and Levies	969,585	291,189
Non-Government Grants and Other	74,420	60,000
Total Finances Acquired	<u>9,209,058</u>	<u>9,537,264</u>
FINANCES APPLIED		
Purchase of Fixed Assets		
Engineering Structures	5,110,446	2,215,636
Buildings	2,314,377	1,434,250
Machinery and Equipment	694,274	19,919
Land Held for Municipal Purposes	110,595	512,071
Vehicles	428,935	252,768
Industrial and Commercial Land for Resale	134,655	32,085
Contributed to Operations	375,487	3,528,093
Other Capital Items	211,337	86,372
Total Finances Applied	<u>9,380,106</u>	<u>8,081,194</u>
Capital Financing (Under) Requirements, End of the Year	<u>(9,059,834)</u>	<u>(8,888,786)</u>

NOTES TO THE FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted for municipalities and include the following policies.

Basis of Presentation

The City organizes and operates its accounting system to segregate programs which reflect the net costs of carrying on a specific activity. These programs are organized within specific funds and the funds operate as separate accountable entities of the City. Revenues which are not directly related to any specific program are reflected in General Services.

Land Inventory

Land Inventory consists of land held for City purposes and industrial and commercial land for resale. Land held for City purposes is recorded at cost. Land for sale is carried at original cost plus servicing and carrying charges. To December 31, 1983, carrying charges included interest on debenture debt and General Capital Fund interest allocated to the Heritage Fund Capital Reserve.

Inventory of Supplies

Inventories consist mainly of parts and road maintenance material and are stated at cost.

Investments

Investments are stated at cost.

Fixed Assets

Fixed assets are stated at cost. Funds for the acquisition of fixed assets are provided primarily from current operations, government grants and debentures. Acquisitions funded from current operations are recorded as expenditures in the year acquired. No depreciation is recorded on fixed assets except in the Water Fund where depreciation is charged to equity at an amount equal to the original schedule of debenture principal repayments.

Debenture Debt

Debenture debt principal and interest payments are recorded as expenditures in the operating revenue and expenditure statements. Principal repayments on debenture debt are added to equity in fixed assets in the year of repayment. Accrued interest is not recorded.

NOTES TO THE FINANCIAL STATEMENTS

Reserves and Allowances

Reserves and allowances are represented by amounts which have been allocated for future municipal operating and capital expenditures. Reserve additions originate primarily from development levies, the sale of land, internal interest allocations and various grants. Reserve amounts are expended as approved by City Council.

2. ACCOUNTS RECEIVABLE (TAXES RECEIVABLE)

Accounts receivable (taxes receivable) include an amount of \$1,589,882 which represents taxes outstanding on properties which were offered for sale on April 2, 1986 by public auction under the provisions of Section 9 of the Tax Recovery Act. There were no bids received at that time. On April 2, 1987 the City undertook to acquire title to these properties.

Also included are outstanding property taxes in the amount of \$344,249 on properties which were offered for public auction on April 2, 1987.

3. INDUSTRIAL AND COMMERCIAL LAND FOR RESALE

Included in land inventory is an amount of \$13,233,000 representing industrial and commercial land for resale. This land is carried at original cost plus land servicing and carrying charges. An analysis of current market values indicates that the net realizable value at December 31, 1986 is approximately \$4,000,000 below the carrying cost of the land at the same date.

4. LONG TERM DEBT

Long term debt comprises debentures of \$40,515,341 predominantly with Alberta Municipal Financing Corporation and a mortgage of \$44,564 with National Trust Company. The debentures and mortgages are payable in annual amounts to the year 2009.

Debenture principal and interest amounts due in each of the next five years are as follows:

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
1987	\$ 952,100	\$5,737,300	\$6,689,400
1988	1,009,900	5,628,900	6,638,800
1989	1,130,600	5,506,900	6,637,500
1990	1,252,100	5,369,300	6,621,400
1991	1,400,900	5,214,600	6,615,500

NOTES TO THE FINANCIAL STATEMENTS

Debenture interest is payable, before Provincial subsidy, at rates ranging from 5.25% to 18.25% per annum. Debenture debt held at year end has an average rate of interest of 14.15% before Provincial subsidy, and 10.84% after Provincial subsidy.

The Province of Alberta currently rebates interest paid on current debenture issues. However, the Province is phasing out the rebate program. Rebates continue for the full duration of all debt issues to March 31, 1982, on interest in excess of 11% (8% on issues between January 1, 1974 and March 31, 1980, and 9% on issues through to March 26, 1981). Rebates on eligible issues from April 1, 1982 to March 28, 1986 are limited to a maximum of 6%, and in some cases a duration of 5 years. No issues after March 28, 1986 are eligible for interest rebate.

5. OBLIGATIONS UNDER CAPITAL LEASE

The following is a schedule of minimum lease payments under the capital lease expiring October 1, 1988, together with the balance of the obligations:

Year Ending December 31

1987	\$ 99,954
1988	85,103
Total minimum lease payments	\$ 185,057
Less amount representing	
Interest at 13.5%	25,708
	159,349
Less current portion	80,997
Long term principal portion	
of capital lease	<u>\$ 78,352</u>

6. CAPITAL COMMITMENTS

Capital expenditures committed but not expended as at December 31, 1986 amount to approximately \$135,000.

7. INTERNAL INTEREST ALLOCATIONS - RESERVE FUNDS

Certain balances of reserve funds are invested internally in the General Fund. Interest on these investments is allocated to the reserve funds through the Statements of Capital Financing and is also reported as an operating expenditure under General Services on the Statement of Operating Revenue and Expenditure of the General Fund.

NOTES TO THE FINANCIAL STATEMENTS

8. PRIOR YEAR'S SURPLUS

The General Operating Fund 1985 year-end surplus amounting to \$258,343 was utilized in reducing the 1986 Tax Levy.

9. SUBSEQUENT EVENT

There were no bids received on the properties offered for public auction held on April 2, 1987 referred to in Note 2.

10. COMPARATIVE FIGURES

Certain of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

STATISTICAL SUMMARY (UNAUDITED)

1983 - 1986

	1986	1985	1984	1983
Population	36,453	35,897	35,529	35,032
Area - in Hectares	3,560	3,560	3,560	3,560
<u>Building Permits</u>				
\$ Value	26,060,035	33,237,889	24,700,786	34,790,280
Number Issued	397	420	420	632
<u>Assessment</u>				
Total Taxable Assessment	709,041,060	523,026,220	511,465,737	490,133,100
Percentage of Total Assessment represented by:				
Residential Properties	79.8	80.0	79.9	79.5
Non-residential Properties	20.2	20.0	20.1	20.5
<u>Rates of Taxation (Mills)</u>				
Municipal	18.956 *	24.442	23.893	22.755
Education				
Public	10.889 *	13.726	13.125	12.400
Separate	11.568 *	14.412	13.726	13.072
<u>Tax Collections</u>				
Percentage of current taxes collected				
Residential - Property	98.3	97.1	98.6	97.8
Non-residential - Property	89.8	90.1	94.0	92.5
Business Taxes	93.7	93.7	92.8	91.9
Tax Arrears as a Percentage of Current Levy				
Residential - Property	1.94	3.96	2.90	3.19
Non-Residential - Property	41.11	28.06	16.27	8.76
Business Taxes	9.65	20.52	35.31	29.88
<u>Long Term Debt</u>				
Total Long Term Debt	40,515,341	40,372,961	41,024,413	39,768,562
Net Debt Per Capita	937.70	939.65	938.89	909.69
<u>Percentage of Total Debt To be Retired</u>				
Within 5 years	14.2	11.2	10.1	9.5
Within 10 years	38.8	33.5	30.5	28.5
<u>Capital Expenditures</u>				
Total Capital Expenditures	8,793,282	4,466,729	5,651,226	19,343,488
Capital Expenditures expressed as a percent				
Engineering Structures	58.1	49.6	55.7	47.5
Buildings	26.3	32.1	4.6	41.3
Machinery & Equipment	7.9	.4	2.0	4.0
Land for Municipal Use	1.3	11.5	33.9	.1
Vehicle Additions	4.9	5.7	2.3	1.7
Other Assets	1.5	.7	1.5	5.4

Notes

* The 1986 Mill Rates are lower than previous years due to a 1986 General Assessment.

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AUDITORS' REPORT

To the Members of the Board of the
St. Albert Public Library:

We have examined the balance sheet of the St. Albert Public Library as at December 31, 1986 and the statements of revenues and expenditures, operating deficit, expansion reserve, capital finances acquired and applied, and of equity in fixed assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Public Library as at December 31, 1986 and the results of its operations and the changes in capital financing for the year then ended in accordance with the basis of accounting described in Note 1 applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells.

Chartered Accountants

March 27, 1987

PUBLIC LIBRARY

BALANCE SHEET AS AT DECEMBER 31, 1986

	1986 \$	1985 \$
ASSETS		
CURRENT ASSETS		
Cash on Hand	440	440
Due from General Operating Fund	-	868
Accounts Receivable	7,128	94
Prepaid Expenses	1,574	782
Goods for Resale Inventory	3,842	3,919
	<u>12,984</u>	<u>6,103</u>
DEFERRED COMPUTERIZATION COSTS (Note 2)	35,516	-
FIXED ASSETS-EQUIPMENT	<u>18,416</u>	<u>-</u>
	<u><u>66,916</u></u>	<u><u>6,103</u></u>
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Due to General Operating Fund	22,952	-
Accounts Payable	22,439	2,260
Deferred Revenue	5,405	1,381
	<u>50,796</u>	<u>3,641</u>
EQUITY		
Expansion Reserve	-	6,869
Operating Deficit	(2,296)	(4,407)
Equity in Fixed Assets	18,416	-
	<u>16,120</u>	<u>2,462</u>
	<u><u>66,916</u></u>	<u><u>6,103</u></u>

STATEMENT OF EXPANSION RESERVE FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 \$	1985 \$
Balance, Beginning of the Year	6,869	29,319
Transfer to Reserve	-	2,220
Transfer from Reserve	(6,869)	(24,670)
Balance, End of the Year	<u><u>-</u></u>	<u><u>6,869</u></u>

PUBLIC LIBRARY

STATEMENT OF OPERATING REVENUES AND EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 1986

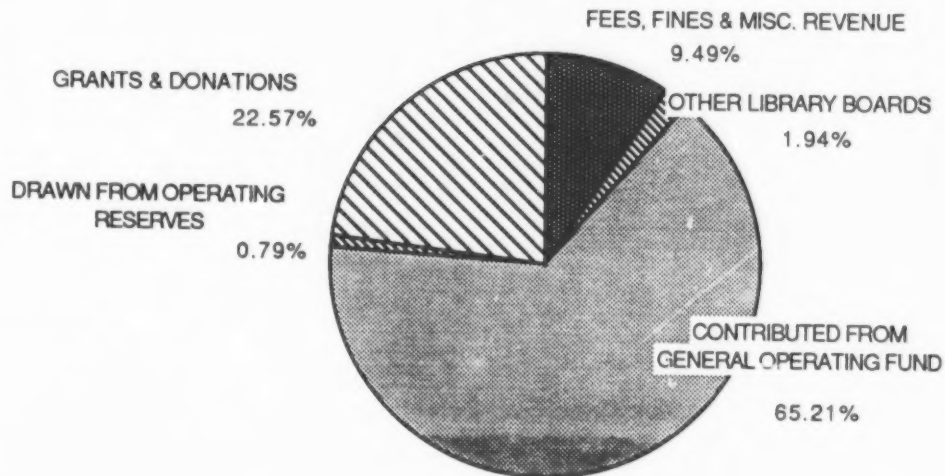
	1986 ACTUAL \$	1986 BUDGET \$	1985 ACTUAL \$
REVENUES			
Library Fees, Fines and Miscellaneous Revenue	82,942	87,900	67,513
Other Library Boards	17,000	17,000	-
Federal Grants	40,145	36,600	35,056
Provincial Grants			
Library Grant	147,270	145,400	145,024
Works Grant	9,936	7,900	20,419
Drawn from Operating Reserves	6,869	6,800	24,670
Contributed from General Operating Fund	570,257	572,000	520,311
Interest Earned on Reserve Fund	-	-	2,220
Donations	21	-	385
TOTAL REVENUES	874,440	873,600	815,598
EXPENDITURES			
Salaries, Wages and Benefits	586,673	590,800	535,900
Contracted and General Services	87,832	89,200	80,935
Materials, Goods, Supplies and Utilities	179,408	193,600	193,729
Transfer to Operating Reserves	-	-	2,220
Transfer to Capital Fund - Equipment	18,416	-	-
Prior Year's Operating Deficit	4,407	-	7,221
TOTAL EXPENDITURES	876,736	873,600	820,005
NET OPERATING DEFICIT FOR THE YEAR	(2,296)	-	(4,407)

STATEMENT OF OPERATING DEFICIT FOR THE YEAR ENDED DECEMBER 31, 1986

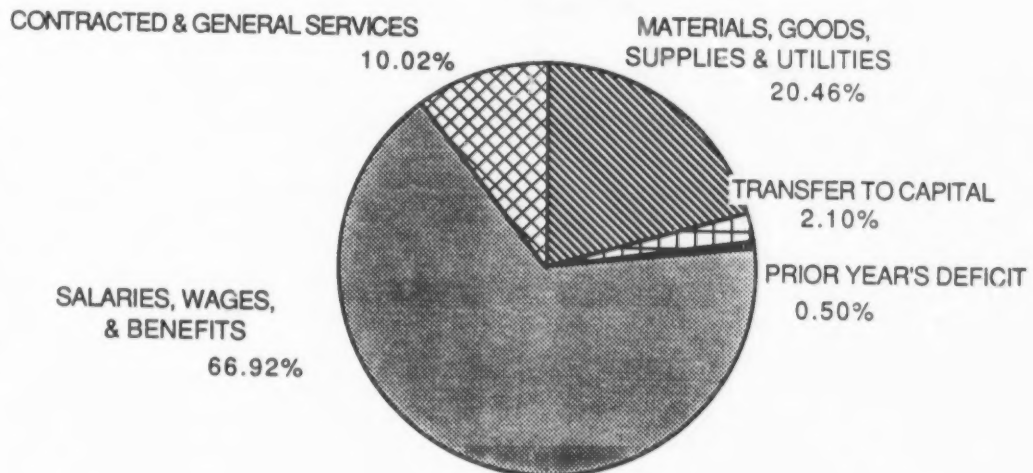
	1986 \$	1985 \$
Net Operating Deficit, Beginning of the Year	(4,407)	(7,221)
Transfer to Current Year Expenditure	4,407	7,221
Net Operating Deficit for the Year	(2,296)	(4,407)
Balance, End of the Year	(2,296)	(4,407)

PUBLIC LIBRARY

1986 REVENUES



1986 EXPENDITURES



PUBLIC LIBRARY

STATEMENT OF CAPITAL FINANCES ACQUIRED AND FINANCES APPLIED FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 \$
FINANCES ACQUIRED	
Contributed from Operations	18,416
Total Finances Acquired	<u>18,416</u>
FINANCES APPLIED	
Purchase of Fixed Assets	
Machines, Equipment Additions	18,416
Total Finances Applied	<u>18,416</u>
Capital Financing Over (Under) Requirements, End of Year	<u>-</u>

STATEMENT OF EQUITY IN FIXED ASSETS FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 \$
Asset Additions	18,416
Balance, End of Year	<u>18,416</u>

PUBLIC LIBRARY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 1986

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with accounting principles generally accepted for municipalities, and reflect the following policy:

Accounting Policy

The accrual basis of accounting is followed in the recording of transactions with the exception of fines and miscellaneous over the counter sales which are recorded on a cash basis.

2. DEFERRED COMPUTERIZATION COSTS

Deferred computerization costs represent amounts incurred under the initial phase of the library computerization project. Upon completion of the project, these costs will be allocated to fixed assets.

3. SUBSEQUENT EVENT

The final phase of a library computerization project has been approved in 1987 with an anticipated cost of approximately \$310,000.

4. BUDGET FIGURES

The 1986 Budget figures which appear in the Statement of Revenues and Expenditures have not been audited.

PUBLIC LIBRARY

SCHEDULE OF EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 ACTUAL \$	1986 BUDGET \$	1985 ACTUAL \$
ADMINISTRATIVE SERVICES			
Personnel Services - Regular	82,920	84,100	77,260
Personnel Services - Grant Programs	8,592	5,700	46,475
Periodicals	1,343	1,200	1,466
Program Expenses	1,832	1,500	607
Audit	1,000	1,000	1,000
Memberships	771	800	738
Telephone - Toll Charges	1,674	600	495
Equipment	-	3,200	9,048
Operations - Other	26,950	33,400	25,518
Operations - Grant Programs	-	1,900	8,740
Transfer to Operating Reserves	-	-	2,220
Transfer to Capital Fund - Equipment	12,065	-	-
Prior Year's Operating Deficit	4,407	-	7,221
TOTAL ADMINISTRATIVE SERVICES	141,554	133,400	180,788
LIBRARY FACILITY SERVICES			
Personnel Services	13,595	14,900	15,362
Building Maintenance	33,866	31,500	29,347
Insurance	1,790	1,900	1,372
Telephone	9,325	9,600	9,743
Utilities	26,701	24,200	27,238
Operations - Other	13,867	17,300	18,749
Equipment	1,454	2,700	-
TOTAL LIBRARY FACILITY SERVICE	100,598	102,100	101,811
ADULT SERVICES			
Personnel Services	81,505	87,000	66,676
Books	64,535	62,500	67,442
Periodicals and Newspapers	11,710	10,500	7,299
Audio Visual Materials	4,666	4,200	4,258
Program Expenses	1,354	1,500	1,432
Supplies	16	300	-
TOTAL ADULT SERVICES	163,786	166,000	147,107

PUBLIC LIBRARY

SCHEDULE OF EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 1986 - Continued -

	1986 ACTUAL \$	1986 BUDGET \$	1985 ACTUAL \$
CHILDREN SERVICES			
Personnel Services - Regular	82,937	82,900	69,262
Personnel Services - Grant Programs	9,841	7,900	-
Books	29,100	33,300	27,547
Periodicals and Newspapers	683	700	674
Audio Visual Materials	1,984	1,600	939
Program Expenses	3,935	3,300	3,300
Operations - Other	533	700	621
TOTAL CHILDREN SERVICES	<u>129,013</u>	<u>130,400</u>	<u>102,343</u>
CIRCULATION SERVICES			
Personnel Services	161,773	162,900	144,285
Supplies	7,901	8,000	7,175
TOTAL CIRCULATION SERVICES	<u>169,674</u>	<u>170,900</u>	<u>151,460</u>
TECHNICAL SERVICES			
Personnel Services - Regular	119,177	119,100	116,580
Personnel Services - Grant Programs	26,333	26,300	-
Freight and Processing	2,613	6,100	4,260
Periodicals and Newspapers	5,543	3,000	2,113
Postage	3,349	3,300	3,299
Equipment	1,164	500	2,975
Operations - Other	5,046	10,000	7,269
Operations - Grant Programs	2,535	2,500	-
Transfer to Capital Fund - Equipment	6,351	-	-
TOTAL TECHNICAL SERVICES	<u>172,111</u>	<u>170,800</u>	<u>136,496</u>
TOTAL EXPENDITURES	<u>876,736</u>	<u>873,600</u>	<u>820,005</u>

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AUDITORS' REPORT

To the Members of the St. Albert Museum
and Historical Sites Board of Management:

We have examined the balance sheet of the Musee Heritage Museum as at December 31, 1986 and the statements of revenues and expenditures, reserves, and of surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Musee Heritage Museum as at December 31, 1986 and the results of its operations for the year then ended in accordance with the disclosed basis of accounting described in Note 1 applied on a basis consistent with that of the preceding year.

Deloitte Haskins + Sells.

Chartered Accountants

March 27, 1987

MUSEE HERITAGE MUSEUM

BALANCE SHEET AS AT DECEMBER 31, 1986

ASSETS

	1986 \$	1985 \$
CURRENT ASSETS		
Cash on Hand	200	200
Due from General Operating Fund	45,732	41,022
Inventory	-	1,656
Prepaid Expenses	1,257	1,192
	<u>47,189</u>	<u>44,070</u>

LIABILITIES, OPERATING SURPLUS AND RESERVES

CURRENT LIABILITIES		
Trade Accounts Payable	1,683	7,151
Deferred Revenue	21,219	10,607
	<u>22,902</u>	<u>17,758</u>
EQUITY		
Artifact Acquisition and Exhibition Reserve	7,332	8,000
Surplus	16,955	18,312
	<u>24,287</u>	<u>26,312</u>
	<u>47,189</u>	<u>44,070</u>

STATEMENT OF RESERVES FOR THE YEAR ENDED DECEMBER 31, 1986

ARTIFACT ACQUISITION RESERVE

	1986 \$	1985 \$
Balance, Beginning of the Year	3,000	3,000
Transfer to Reserve	2,000	-
Transfer from Reserve	(2,497)	-
Balance, End of the Year	<u>2,503</u>	<u>3,000</u>

EXHIBITION RESERVE

Balance, Beginning of the Year	5,000	5,000
Transfer from Reserve	(171)	-
Balance, End of the Year	<u>4,829</u>	<u>5,000</u>
TOTAL RESERVES	<u>7,332</u>	<u>8,000</u>

MUSEE HERITAGE MUSEUM

STATEMENT OF OPERATING REVENUES AND EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 1986

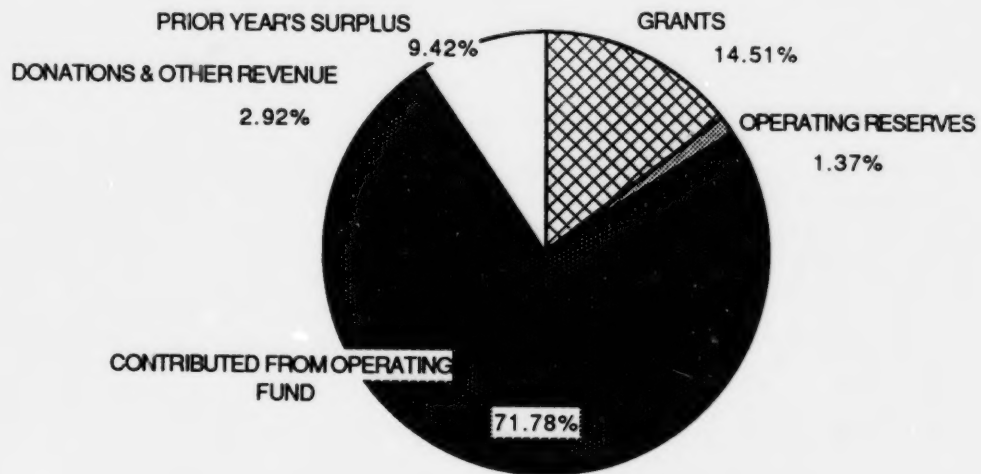
	1986 ACTUAL \$	1986 BUDGET \$	1985 ACTUAL \$
REVENUES			
Federal Grants	-	-	3,773
Provincial Grants	18,691	30,600	32,541
A.M.A. Grants	9,517	5,900	9,188
Drawn from Operating Reserves	2,668	5,000	-
Contributed from Operating Functions	139,509	139,700	140,680
Donations	4,830	20,500	1,608
Other Revenue	840	100	915
Prior Year's Operating Surplus	18,312	18,300	1,674
TOTAL REVENUES	<u>194,367</u>	<u>220,100</u>	<u>190,379</u>
EXPENDITURES			
Salaries, Wages and Benefits	101,896	117,200	111,084
Contracted and General Services	34,377	41,900	30,911
Materials, Goods, Supplies and Utilities	36,777	58,000	29,418
Transfer to Operating Reserves	2,000	2,000	-
Other Transactions, Discounts and Adjustments	2,362	1,000	654
TOTAL EXPENDITURES	<u>177,412</u>	<u>220,100</u>	<u>172,067</u>
NET OPERATING SURPLUS FOR THE YEAR	<u>16,955</u>	<u>-</u>	<u>18,312</u>

STATEMENT OF OPERATING SURPLUS AS AT DECEMBER 31, 1986

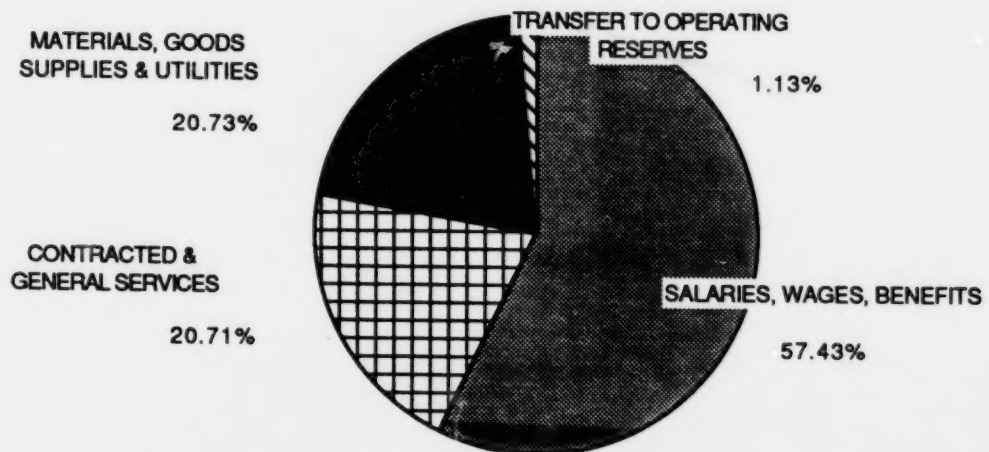
	1986 \$	1985 \$
Balance, Beginning of the Year	18,312	1,674
Transfer to Current Year Revenue	(18,312)	(1,674)
Net Operating Surplus for the Year	16,955	18,312
Balance, End of the Year	<u>16,955</u>	<u>18,312</u>

MUSEE HERITAGE MUSEUM

1986 REVENUES



1986 EXPENDITURES



MUSEE HERITAGE MUSEUM

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 1986

1. SIGNIFICANT ACCOUNTING POLICIES

The Financial statements are prepared in accordance with accounting principles generally accepted for municipalities, and reflect the following policy:

Accounting Policy

The accrual basis of accounting is followed in the recording of transactions with the exception of miscellaneous over the counter sales which are recorded on a cash basis.

2. ARTIFACT ACQUISITION AND EXHIBITION RESERVES

The Artifact Acquisition Reserve is to be utilized for future artifact acquisitions and the Exhibition Reserve is to be utilized to fund future exhibits.

3. BUDGET FIGURES

The 1986 Budget figures which appear in the Statement of Revenues and Expenditures have not been audited.